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Sweden

Fishery Products

Annual

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Report Highlights: The overall consumption of fish and seafood in Sweden continues to increase. Due to declining domestic production coupled with increased consumption, imports are expected to continue their upward trend.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

The fishing industry represents a minor part of Sweden's economy but is nonetheless very important in some coastal areas. In 2002, a total of 284,800 metric tons valued at SEK 1,07 billion (USD 110 million) was caught. Groundfish catch amounted to 51,559 metric tons in 2002, up 5 percent from 2001. Due to reduced cod quota for Sweden, groundfish catch is expected to decrease the following years.

Imports of fish and fish products have been rising during the past years, due to declining domestic production, and will likely continue to increase. Between 1987 and 1997, the U.S. was the fourth largest supplier of fish and fish products to Sweden, after Norway, Denmark and Iceland. However, U.S. share has declined and in 2002, the U.S. was the ninth largest supplier with a market share of only 1 percent. Norway and Denmark accounted for 82 percent of total imports by Sweden, with 67 percent and 15 percent shares, respectively. With the substantially weaker dollar vis-a-vis the Swedish krona (current exchange rate is USD=SEK 8.7), the U.S. is in an improved position to gain market share.

In order to prevent the over-fishing of cod in the Baltic Sea, the Swedish Government decided a year ago to halt all Swedish cod fishing (yearly quota of 15,000 metric tons) beginning in 2003. The European Commission, however, disapproved of the Swedish ban. The Commission based its decision on the fact that such a move would have little positive effects on the cod stock and that it would discriminate against Swedish fishermen.

Overall consumption of fish in Sweden is increasing, partly due to the general perception among Swedes that fish is a healthy alternative to meat, and partly due to successful promotions of the organization Svensk Fisk (Swedish Fish). It is mainly the consumption of processed and prepared fish products that is increasing. Consumption of fresh fish is relatively stable.

The average exchange rates used in this report are:

CY 2002: USD 1 equals SEK 9.72
CY 2001: USD 1 equals SEK 10.33

Production

The Swedish catch of sea fisheries (wild catch) amounted to 284,773 metric tons in 2002, down 5 percent from 2001. In value, total landings amounted to SEK 1,01 billion (USD 110 million), down from SEK 1,17 billion in 2001. Groundfish catch amounted to 51,559 metric tons in 2002, up 5 percent from 2001. Due to reduced cod quota for Sweden, groundfish catch is expected to decrease by 7 percent in 2003 to 48,000 metric tons. In 2004, catch is expected to further decrease by 2 percent.

Fish for feed is the largest single commodity, amounting to 60 percent of the total 2002 catch. Of the catches for human consumption, herring is the principal species in Sweden, followed by cod. In 2002, these species accounted for 23 and 5 percent, respectively, of total landings. The herring catch decreased to 62,586 metric tons, from 68,009 metric tons in 2001. The cod catch decreased to 15,115 metric tons, from 20,825 metric tons in 2001, due to a smaller quota. The Swedish fish industry relies heavily on cod fishing. One-third of the total income (about USD 35 million) of professional fishermen in Sweden comes from cod fishing.

Sweden is a member of the International Fisheries Commission for the Baltic Sea, which sets quotas for member countries. Over-fishing of cod in the Baltic Sea has been a serious problem for several years. The 2003 and 2004 quotas in metric tons are as follows below (Sweden's approximate shares in parentheses):

	2003	2004
Herring	203,349 (47,0070)	143,349 (36,269)
Sprat	310,000 (53,257)	420,000 (72,019)
Cod	75,000 (15,0030)	61,600 (13,144)
Salmon*	460,000 (136,400)	460,000 (126,400)

* Number of salmon.

In November, 2002, the European Commission disapproved of a planned temporary unilateral Swedish ban on cod fishing. The Swedish government had decided to halt Swedish cod fishing for one year in order to protect the cod stock in the Baltic Sea. The Commission based its decision on the fact that such an action would have little positive effects on the cod stock and that it would discriminate against Swedish fishermen.

In 2002, the catch in inland waters amounted to 1,435 metric tons, valued at SEK 40.3 million (USD 4.15 million). Until 1997, the catch had been around 2,000 metric tons. Since 1998, however, inland catches have approximated 1,500 metric tons. The most important species in inland fishing are pike-perch, eel and whitefish. Domestic production of crayfish is fairly small and amounted to 49 metric tons in 2002. Fishing in private waters is popular, but the quantities of catches are difficult to estimate.

Aquaculture in Sweden is relatively limited. In 2002, the yield amounted to 4,987 metric tons of fish for human consumption, which was about the same amount as the year before. Rainbow trout is the principal species, comprising approximately 84 percent of total yield. Other aquaculture species, listed in order of production volume, include blue mussels, char, eel, trout, and crayfish. The number of enterprises in 2002 engaged in aquaculture was 374, of which 239 produced fish for consumption and 15 produced blue mussels. In addition, 112 establishments cultivated fry for stocking. In 2001, small-scale production of organic rainbow trout was initiated. In 2002, production amounted to about 20 metric tons.

The major canning company in Sweden is ABBA Seafood. ABBA operations include processing and marketing of ABBA brand fish products in Sweden, Denmark and Germany. In addition, marketing offices have been established in Norway, Poland, Finland and Austria. ABBA Seafood is a part of the Norwegian group Orkla Foods. Other important fish processing industries include Findus, Felix, and Festab AB. For about 40 years (until 2000), Findus was owned by the international food company Nestlé, but was acquired two years ago by EQT, a private equity firm. Felix is also a part of the Orkla Group, and Festab AB belongs to the Norwegian Dornstein Group.

Consumption

Swedish consumers are becoming increasingly environment and health conscious in their choice of food, and the general perception among Swedes is that fish is a healthy alternative to meat. Recent data on fish consumption is not available. However, the perception among fish traders is that consumption of shellfish and "pan-ready" fish products is increasing, while consumption of fresh fish is relatively stable. The general increase in fish consumption is also partly attributable to successful promotions of the organization Svensk Fisk (Swedish Fish). In addition, an increase of product assortment seems to have had a positive affect on consumption of processed and prepared fish. Products such as gratins, rolls, sushi, prepared crayfish tails, shrimp, crab sticks and lobster are receiving more market exposure.

Swedes are purported to be the world's leading crayfish consumers. Swedes consider crayfish to be a very special delicacy. They are cooked according to traditional Swedish recipes using brine, dill and beer. Consumption is estimated around 3,000 metric tons per year, of which 2,500 tons are imported.

Trade

In 2002, total imports of fish and fish products into Sweden amounted to USD 799 million. Imports from the United States amounted to USD 7.8 million, which makes the United States the ninth largest supplier of fish and fish products to Sweden. A substantially greater amount of fish and fish products are imported from third countries by Sweden than is apparent from trade data because of transshipment via the Netherlands. These imports are reflected in trade data as imports from the Netherlands.

Imports of groundfish amounted to 6,752 metric tons in 2002 valued at USD 24 million, compared to 6,609 metric tons valued at USD 22 million in 2001. Due to smaller cod quotas, imports of groundfish will likely continue to increase the following years. However, imports are not expected to increase as much as previously estimated since the planned Swedish ban on cod fishing in 2003 was never enforced.

Pacific salmon is the main species imported from the U.S. Currently, Norway and Denmark dominate the Swedish import market for fish. Together they account for 82 percent of total imports by Sweden, with individual shares of 67 percent and 15 percent, respectively. Considering their geographical nearness and strong commercial ties to Sweden, these countries will most likely maintain dominance in this market.

Total imports of crayfish amounted to 1,782 metric tons in 2002, compared to 3,500 metric tons in 2001. Imports from the U.S. have been rather small during recent years due to a supply shortage in Louisiana and strong price competition from China, Turkey and Spain. In 2002, however, imports from China decreased substantially due to findings of antibiotic residues in Chinese fish products which caused the EU to put a temporary ban on imports of various seafood products from China. In 2002, imports from China accounted for 26 percent of Swedish crayfish imports, down from 65 percent the previous year. Imports from the U.S. amounted to 86 metric tons, compared to 100 metric tons in 2001.

Swedish exports of groundfish dropped dramatically in 2002 and amounted to 9,546 metric tons, compared to 15,474 metric tons in 2001. The dramatical drop is explained by limited supply of cod due to smaller quota. Reduced exports of cod to Denmark (down 50 percent) accounted for the major part of the drop in total exports of groundfish.

Prices for groundfish increased by 22 percent in 2002 compared to 2001 which is also explained by smaller cod quotas.

Policy

Since it became a member of the European Union in 1995, Sweden has adhered to the Common Fisheries Policy (CFP) of the EU.

At the end of 2001, the European Commission decided to implement thresholds for dioxin in fish. It was decided that fish exceeding the EU's threshold for dioxin could not be sold for human consumption in any of the European Union member states, with the exception of Finland and Sweden. The exception will remain in effect until December 31, 2006. Until then, fish with dioxin levels exceeding the EU thresholds may be sold in Sweden (and Finland), under the condition that they are not exported to other EU countries. The National Food Administration (NFA) has been conducting tests of dioxin levels in the Baltic Sea. As a result of these tests, the NFA does now allows exports of various species such as eel, pike pearch, cod, and sprat from the Baltic Sea. The EU decision to make an exception for Sweden was based on the Swedish authorities' argument that health benefits of lower thresholds do not exceed the lost benefits of eating fish.

The Swedish organization Svensk Fisk (Swedish Fish) is supported by both the industry and the Swedish government. The organization's goal is to increase fish consumption through communicating the benefits of eating fish to consumers. The Swedish Government is supporting the organization with initial paid-in capital of SEK 5 million (USD 550,000).

The Swedish National Protection Agency has provided SEK 16.2 million (USD 1.8 million) of funding to a research project called MARBIPP (Marine Biodiversity, Patterns and Processes). These funds are available through 2003. The aim of the project is to create a base for ensuring sustainable development by studying biodiversity along the coasts of Sweden.

The Swedish government, fishermen and fish industry are currently collaborating on a project to label wild fish as organic. An expert group with representatives from the interested parties has been established to develop rules, certification and control systems for organic labeling of fish.

Marketing

Duty-free imports from other EU member states, the EU's barriers to imports from third countries (import tariffs on fish products range between 2 and 23 percent), and the short shipping distances from EU countries compared to overseas transit times makes the competitive environment difficult. In addition, U.S. exports to Sweden have been hampered in recent years by the strength of the U.S. dollar. However, the facts that quotas for fishing in the Baltic Sea are diminishing and the U.S. dollar has weakened substantially against the Swedish krona, increase possibilities for U.S. exports to Sweden. In addition, consumption of processed and prepared seafood products such as gratins, rolls, sushi, prepared crayfish tails, shrimp, crab sticks and lobster is steadily increasing in Sweden and could provide opportunities for U.S. exporters.

In Sweden, three organizations, ICA, COOP Norden and Axfood control about 80 percent of the retail market. These organizations are, along with Hartwig AB, Olle and Pandalus, the principal importers of seafood in Sweden.

Statistical Section

PSD Table						
Country	Sweden					
Commodity	Groundfish, Whole/Eviscerated				(MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Beginning Stocks	0	0	0	0	0	0
Total Production	60000	51559	50000	48000	0	47000
Intra-EC Imports	1000	1556	5000	3000	0	3000
Other Imports	5000	5196	7000	7000	0	10000
TOTAL Imports	6000	6752	12000	10000	0	13000
TOTAL SUPPLY	66000	58311	62000	58000	0	60000
Intra-EC Exports	24000	9219	20000	8000	0	8000
Other Exports	1000	327	1000	500	0	500
TOTAL Exports	25000	9546	21000	8500	0	8500
Domestic Consumption	41000	48765	41000	49500	0	51500
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	41000	48765	41000	49500	0	51500
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	66000	58311	62000	58000	0	60000

Export Trade Matrix			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric tons
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Denmark	8916	Denmark	4543
France	2378	France	2050
Netherlands	1142	Netherlands	869
United Kingdom	784	United Kingdom	758
Germany	693	Belgium	321
Egypt	660	Spain	295
Belgium	263	Germany	261
Bulgaria	261		
Spain	184		
Total for Others	15281		9097
Others not Listed	193		449
Grand Total	15474		9546

Import Trade Matrix			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric tons
Imports for:	2001		2002
U.S.	120	U.S.	102
Others		Others	
Norway	4128	Norway	4511
Denmark	974	Denmark	1117
Estonia	438	Finland	217
Latvia	223	Latvia	190
Finland	162	Netherlands	167
Canada	139		
Total for Others	6064		6202
Others not Listed	425		448
Grand Total	6609		6752

Prices Table			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Prices in	USD	per uom	Metric tons
Year	2001	2002	% Change
Dec			
Average year	2944	3606	+ 22%